



# US National Policy Context

Presentation by

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# Federal Administration Approach on Climate Change

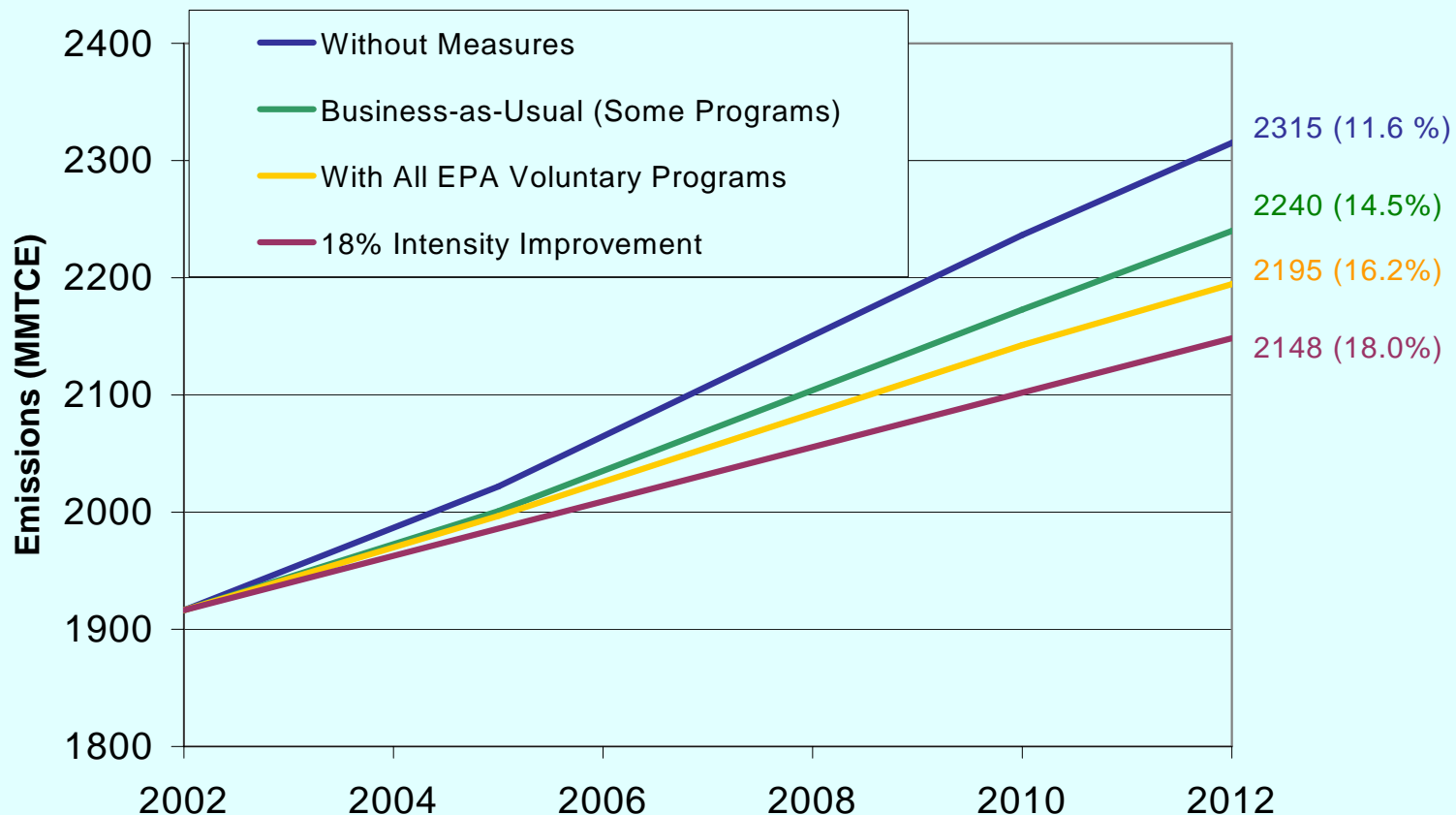
- Fund research on science, impacts, breakthrough technologies - Nat'l Academy of Sciences, other
- Fund R&D for clean technologies, e.g., geosequestration, hydrogen, coal gasification - Nat'l CC Tech Initiative
- Promote tax credits for clean energy, fuel cell vehicles, sequestration - Climate Strategy, National Energy Plan
- Goal: Improve U.S. ghg emissions intensity by 18% by 2012  
NOTE: intensity improvement not a reduction goal
  - *DOE Climate Vision* sector-specific initiatives - public-private partnership focused on energy-intensive industries
  - Emphasis on voluntary *ghg reduction* programs
  - enhance Dept. of Energy 1605(b) GHG registry



# U.S. climate change policy

## Improving Emissions Intensity by 2012

**U.S. GHG Emissions Projections (2002 - 2012)**





## EPA's Climate Change Voluntary programs





# Nat'l Policy Context Recent Developments

## Widening Gulf Betw Administration & Congress

- In 2004 Congress imposed substantial (63.3%) increases to the Administration's climate change technology budget
- For 2006, Administration has proposed reductions compared to Congressional levels of energy technology funding
- 2006 budget Administration proposed cuts in science and international programs (-2.9 and -19.0% in real terms)
- Emerging bi-partisan Congressional coalition in favor of increased spending on a wide range of climate change programs

From report on "Climate Change in the US Government Budget", Centre for European Policy Studies, June 2005



# Nat'l Policy Context Recent Developments

## Widening Gulf Betw Administration & Congress

- “Sense of the Senate” 6/22 vote on climate change passed 54-43. 11 senators introduced resolution, 5 Republicans
- Senator Hegel, author of 1997 anti-Kyoto resolution, introduced bill to compete w McCain-Lieberman bill. Actions are voluntary but bill recognizes climate change as real, human induced
- Run up to G-8 President Bush states acting on climate change could wreck US economy



# Nat'l Policy Context Action by US Corporations

- US corporations actively engaged in GHG reduction, adoption of targets and implementation of emission reduction plans:  
e.g: GE, Johnson & Johnson, Dupont, Intel, Starbucks, UTC, members of CA Climate Action Registry
- 300 of the world's 500 biggest companies already report emissions of carbon dioxide via the Carbon Disclosure Project.
- Businesses now asking:  
How can my company reduce GHG emissions?  
What are the business opportunities for addressing climate change?



# Nat'l Policy Context Action by US Corporations

- GE, others view use and development of low carbon technologies/fuels as “business opportunity”, way to improve economic competitiveness
- US Business beginning to call for Regulations. Want level playing field and “clear, transparent, and consistent price signals”  
e.g.: Duke Energy, Ford, HP, Cinergy, Cisco, more
- Merrill Lynch releases: “Energy Security & Climate Change: Investing in the Clean Car Revolution” with stock recommendations based on global analysis of climate change policies





## Nat'l Policy Context Other Influences

- Kyoto is in force. Pressure from global community for US to act
- CDM mechanisms - the economic tools within the Kyoto Protocol to assist China, Africa, India, others develop along a lower carbon path- are less effective without US participation
- Allies, such as UK PM Tony Blair, put Climate Change squarely on G-8 agenda in Gleneagles
- Religious groups - Catholic Conference of Bishops, Nat'l Association of Evangelicals, and Nat'l Council of Churches - unite under the National Religious Partnership for the Environment - state that "global warming is a universal moral challenge."